Overview Clean Coal Power Initiative

Victor Der

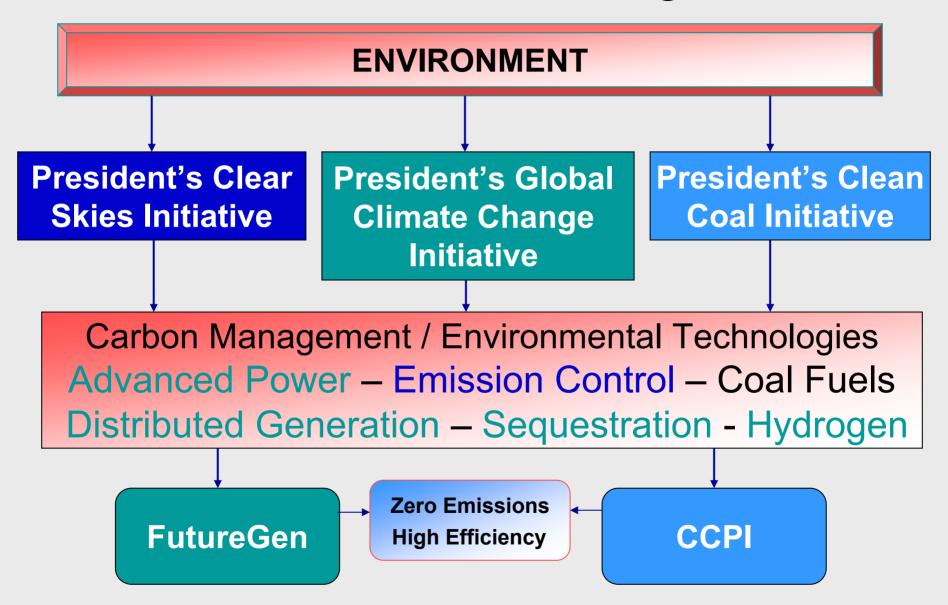
Director, Office of Power Systems

U.S. Department of Energy – Office of Fossil Energy

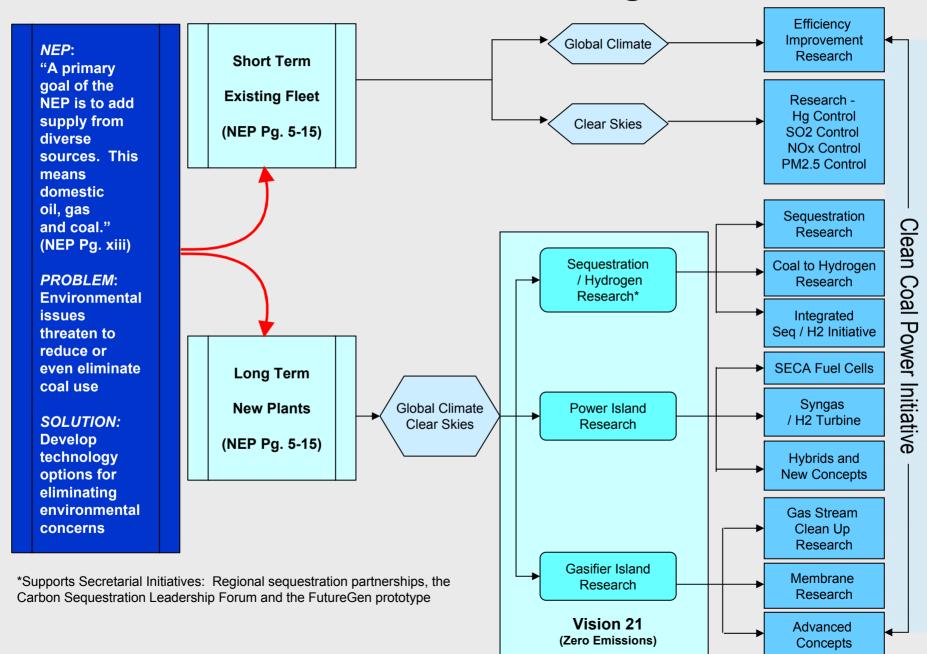
Clearwater, Florida

March 12, 2003

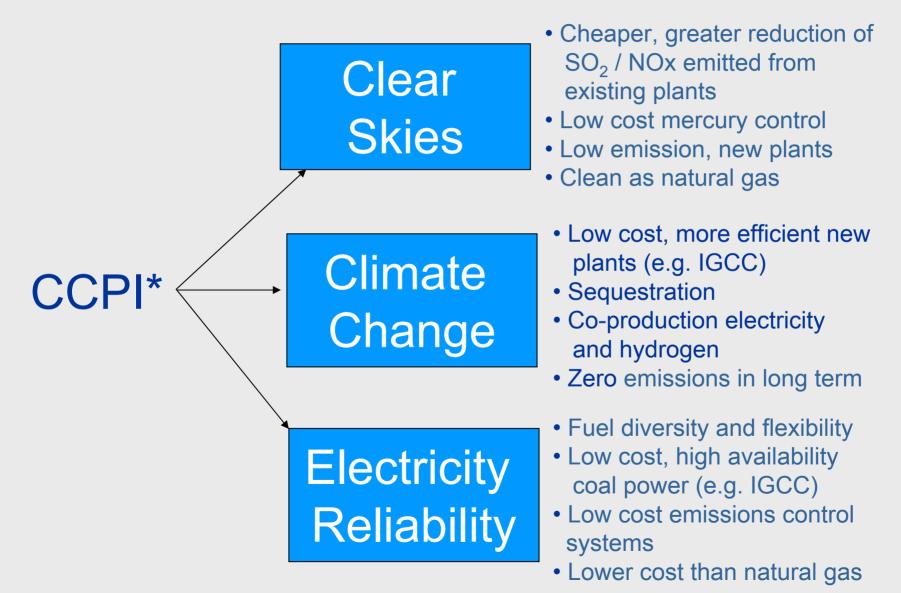
Coal and Power Program



Coal Research Program



New Clean Coal Program (CCPI)



^{*}Qualification factors: 75% coal feedstock; and, must produce electricity as one of the products

Overall

Clean Coal Program Summary

Research —

Demonstration

(50% cost shared)

FirstDeployment

(Tax Incentives)

(0% - 20% cost shared)

Coal R&D

- Vision 21 (zero emissions, 60% efficiencies)
- Sequestration (\$10/ton C)
- Emissions control (emphasis on mercury)
- Hydrogen and coal fuels
- Fuel cells and advanced turbines

1985 - Old

 Original Clean Coal Program – initiated by Pres. Reagan – five alternative solicitations totaling \$2.5B

2002 - Present

PPII – transfer of \$95M from old CCT – one solicitation

2003 - New

 CCPI – Pres. Bush's initiative – multiple solicitations totaling \$2B over 10 years Incentives
 proposed in
 several energy bills

Performers

- Industry
- Universities
- National labs
- Consortia

Performers

 Government / Industry partnerships

Performers

Industry

CCPI Program Summary

- \$2 billion budgeted over 10 years starting in FY02 based on a series of competitive solicitations
 - ~ \$ 330 million for Round 1 from FY02, FY 03 and PPII carryover.
 - \$130 million requested for FY04 (plus carryover from Round 1)

Status

- First Round Projects selected Jan 8, 2003, under negotiations
- Second Round Solicitation in planning and expect to be funded with FY 04 and FY 05 budgets
- Selections expected in late FY 2004 to early FY 2005

Conclusion

- The CCPI program is a key element in the President's clean coal research strategy.
- It supports the President's initiatives on Clear Skies and Global Climate Change; it provides the path forward towards the sustained use of clean coal as a strategic, secure domestic resource to meet our future energy demand.
- CCPI provides the platform for demonstrating and validating progressive advances made since the original CCT Demo prior to their deployment.
- We've made a good start in Round 1 and will focus on targeted priority areas in future rounds to meet our goals.